



fermi national accelerator laboratory

SUBCONTRACT NO. 564441-JPM

with

OAK BROOK BANK

for

BANK SERVICES

FOR THE PERIOD OF

AUGUST 1, 2005 THROUGH JULY 31, 2008

with

TWO (2) 1-YEAR OPTIONS FOR PERIOD THROUGH JULY 31, 2010

**Operated by Universities Research Association Inc.
Under Contract with the
United States Department of Energy**

**SPECIAL DEMAND DEPOSIT ACCOUNT AGREEMENT FOR USE WITH THE
CHECKS-PAID METHOD OF LETTER OF CREDIT FINANCING**

DIRECT PAYMENT METHOD

Agreement entered into this 1st day of August, 2005, between the UNITED STATES OF AMERICA, Represented by the Department of Energy (hereinafter referred to as Chicago Office), and Universities Research Association, Inc., a corporation/legal entity existing under the laws of the District of Columbia, hereinafter referred to as the Recipient, and Oak Brook Bank, a banking corporation existing under the laws of the State of Illinois, located at 2607 Lincoln Highway, St. Charles, IL 60175 (hereinafter referred to as the Bank).

RECITALS

(a) On the effective date of August 01, 2005, Chicago Office and the Recipient are bound by Contract(s) No. DE-AC02-76CHO3000, or a Supplemental Contract(s) thereto, providing in Clause 1.102 Payments and Advances for a checks-paid method of letter of credit financing using the direct payment method of compensation to the Bank.

(b) Chicago Office requires that the Recipient open a "Special Demand Deposit Account" with the Bank, who is a member of the Federal Reserve System or an "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684, as amended; 12 U.S.C. 264) separate from the Recipient's general or other funds.

(c) The "special Demand Deposit Account" shall be designate "Universities Research Association, Inc., United States Department of Energy Special Bank, Contract No. DE-AC02-76CHO3000"

COVENANTS

In consideration of the foregoing, and for other good and valuable considerations, it is agreed that:

(1) The Chicago Office shall have a title to the credit balance in said account to secure the repayment of all advance payments made to the Recipient and said title shall be superior to any title or claim of the Bank with respect to such account.

(2) The Bank will be bound by the provisions of said Agreements between Chicago Office and the Recipient relating to the deposit and withdrawal of funds in the above "Special Demand Deposit Account," which are hereby incorporated into this Agreement by reference, but the Bank shall not be responsible for the application of funds withdrawn from said account. After receipt by the Bank of written directions from the

Chicago Office Contracting Officer, the Bank shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Bank from the Chicago Office upon its stationery and purporting to be signed by, or by the direction of the Chicago Office Contracting Officer shall be, insofar as the rights, duties, and liabilities of the Bank are concerned, considered as having been properly issued and filed with the Bank by Chicago Operations Office.

(3) The Chicago office, or its authorized representatives, shall have access to the books and records maintained by the Bank with respect to such "Special Demand Deposit Account" at all reasonable times and for all reasonable purposes, including, without limitation to, the inspection or copying of such books and records and any or all memoranda, checks, correspondence, or documents pertaining thereto. Such books and records shall be preserved by the Bank for a period of six (6) years after the final payment under the Agreement.

(4) In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the "Special Demand Deposit Account," the Bank will promptly notify the Chicago Office Contracting Officer at P.O. Box 2000, Batavia, IL 60510.

(5) Chicago Office will issue a Letter of Credit (irrevocable to the extent obligations have been incurred in good faith thereunder by the Recipient) to the Bank for the benefit of the "Special Demand Deposit Account." The Bank agrees to honor upon presentation for payment all checks issued by the Recipient and to restrict all Letter of Credit withdrawals to an amount sufficient to maintain the account balance as close to zero as administratively possible each day.

If any documentation furnished by the Bank demonstrates that this withdrawal procedure would be inequitable of Chicago Office or to the Bank, Covenant (5) may be modified upon agreement of all parties concerned. The bank will comply with the provisions contained in the Treasury Department Fiscal Requirements Manual (I TFRM 6-200) which states that ordinarily payment vouchers (TFS-5805) should not be drawn more frequently than daily or for amounts less than the minimum of \$5,000. and in no case more than \$5,000,000. unless so stated on the Letter of Credit Authorization. In the event the balance remaining in the Letter of Credit limitation is not sufficient to cover the checks presented, the U.S. Treasury will, at the specific authorization of the Chicago office, instruct the Federal Reserve Bank to immediately wire a transfer of funds from the U.S. Treasury account to the Bank's account, for the benefit of the Recipient's "special Demand Deposit Account," in an amount sufficient to cover the checks presented in excess of the available Letter of Credit balance. The Bank agrees to service the account in this manner based on the requirements and specifications contained in the Universities Research Association, Inc. solicitation, dated June 24, 1998.

The Bank agrees that "Per Item Costs," detailed in the Attachment 3, "Schedule of Bank Processing Charges," contained in the Bank's proposal will remain constant during the term of this Agreement. On a monthly basis, the Bank will bill the Recipient the actual bank processing charges incurred.

(6) The Bank shall post collateral, acceptable under Department of the Treasury Department Circular 176, with the Federal Reserve Bank in an amount equal to the Federal funds deposited in all of the accounts included in this Agreement, less the Department of the Treasury-approved deposit insurance.

(7) This Agreement, with all its provisions and covenants, shall be in effect for a term of three (3) years, beginning on the 1st day of August, 2005, and ending on the 31st day of July, 2008. If the Recipient's contract is for period of less than three (3) years, this Agreement will be concurrent with that contract.

(8) The Chicago office, the Recipient, or the Bank may terminate this Agreement at any time within the three (3) year agreement period upon submitting written notification to the other parties ninety (90) days prior to the desired termination date. The specific provisions for operating the account after the termination date are contained in paragraph (11).

(9) The Chicago Office and Recipient may terminate this Agreement at any time upon thirty (30) day's notice to the Bank if the Chicago office and/or Recipient find that the Bank has failed to substantially perform its obligations under this Agreement or that the Bank is performing its obligations in a manner which precludes the administering of the Recipient's program in an effective and efficient manner.

(10) Notwithstanding the provisions of Paragraphs (8) and (9), in the event the Agreement (referenced in Recital (a)) between the Chicago office and the Recipient is not renewed or is terminated, this Agreement between the Chicago office, the Recipient and the Bank will automatically be terminated upon the delivery of written notice to the Bank.

(11) In the event of termination, the Bank agrees to retain the Recipient's Special Demand Deposit Account" for an additional 90-day period to allow for clearance of outstanding checks. During this 90-day period, the Chicago Office will ensure that the Letter of Credit will have sufficient funds to cover all outstanding checks presented for payment.

- (a) During this 90-day period, if the amount of checks paid daily is less than \$5,000, the Bank is authorized to drawdown the minimum \$5,000 from the FRB; however, any excess balance of funds resulting will not be subject to the payment of interest to the Chicago office. After the balance is depleted, the Bank is also authorized to drawdown in \$5,000 increments to preclude overdrafts up to the end of the 90-day period.
- (b) After all checks have been paid, the Bank will forward the balance of the daily ledger balance by check made payable to the U.S. Department of Energy and mailed to the Financial Management Division, Chicago office.
- (c) During the 90-day period, the Bank will bill the Recipient for the actual service charges rendered up to the expiration of the Agreement.

During the entire 90-day period, it is further understood that:

- (a) All bank service charges will be consistent with the amounts reflected in this Agreement.
- (b) All terms and conditions of the proposal submitted by the Bank which are not inconsistent with this 90-day additional term will remain in effect.
- (c) This Agreement will continue in effect with exception of the following:
 - 1/ Letter of Credit – Covenant 5.
 - 2/ The term of this Agreement – Covenant 6.
 - 3/ Termination of Agreement – Covenants 7 and 8.

(12) The Bank submitted the attachments entitled: (1) Commercial Bank's Representations and Certifications; (2) Schedule of Bank Processing Charges; (3) Bank Statement and Account Analysis; and (4) Bank Statement of Daily Status of Federal funds on Hand. These attachments have been accepted by the Recipient and the Chicago office Contracting Officer and are incorporated herein with the document entitled, "Commercial Bank's Information for Operating a Checks-Paid Letter of Credit," as an integral part of this agreement.

The Bank has submitted and accepted the following additional attachments entitled: (1) Technical Representations and Certifications; (2) Commercial Banks' Information for Operating a Checks-Paid Letter of Credit Financing; (3) Disaster Recovery Plan for Payroll Operations at Fermi National Accelerator; (4) Bank Requirements for Management of Special Demand Deposit Accounts Based on the Check-Paid Method of Letter of Credit Financing (Note: Item 7 on this Attachment has been superseded by the addendum to the Schedule of Bank processing Charges regarding float on TT&L payment); and the attachments are an integral part of this agreement. The attachments have been accepted by the Recipient and the Chicago Office Contracting Officer and are incorporated into this agreement.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement which consists of pages including the signature pages to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA

BY John Chapman

(Typed Name of Contracting Officer)

John C. Chapman

(Signature of Contracting Officer)

8/22/2005

(Date of Signature)

Universities Research Association, Inc.

By David A. Carlson

David A. Carlson

(Signature of Recipient's Representative)

Head, Business Services

(Title)

P.O. Box 500; Batavia, IL 60510

(Address)

8/23/2005

(Date of Signature)

Oak Brook Bank

(Typed Name of Bank)

By *Michelle* Belon

(Typed Name of Bank Representative)

Michelle Belon

(Signature of Bank Representative)

President, OBB/FV

(Title)

2607 Lincoln Highway

St. Charles, IL 60175

(Address)

8-26-05

(Date of Signature)

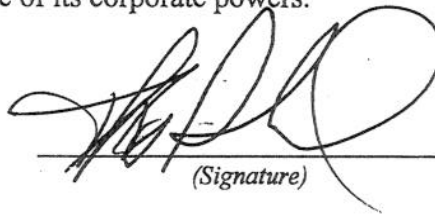
WITNESSES

Note - In case of corporation, Witnesses not required but certificate on next page must be completed. Type or print names under all signatures.

NOTE – Bank Depository, if a corporation, should cause the following certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the certificate.

CERTIFICATE

I THOMAS A ORMSETH, certify that I am the VICE PRESIDENT
of the corporation named as Bank Depository herein, that MITCHELL BELON, who signed this
Agreement on behalf of the Bank Depository was then PRESIDENT, OBB/FV, of said
corporation; that said Agreement was duly signed for and in behalf of said corporation by authority of
its governing body, and is within the scope of its corporate powers.


(Signature)

Corporate Seal

